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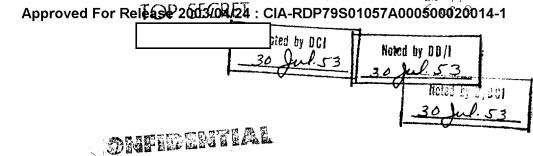
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NSC REVIEW COMPLETED

Mr. William F. Finan
Assistant Director for Monagement
and Organization
Bureau of the Budget
Washington 25, D. C.

Down Mr. Firen:

I on gled to substit the views of this Agency on the proposed Executive Order and on the draft of the Presidential securious to the Executive Secretary of the National Security Council forwarded with your letter of 9 July 1953.

objection to the substance of its provisions which create the Operations Coordinating Doerd and act furth its general functions subject to the comments in the last paragraph of this letter. The proposed names of functioning, however, raises questions which we believe should be resolved prior to issuance of the Order. Section 5 of the draft provides that the Central Intelligence Agency shall, esses others, furnish assistance to the Board comment with law in accordance with 31 U.S.C. 601. This, of course, we are prepared to do subject to the availability of funds.

However, Section 4 authorises the Executive Director of the Board to appoint necessary employees to the Board and supervise the work of the staff. This appears to authorise the establishment of an entity outside the contemplation of 31 U.S.C. 691. Furthermore, under Section 1 of the proposed Order, the Board, and with it the staff, is deemed to be an agency within the structure of the National Security Council is a statutory agency established by the National Security Act of 1947. Section 101(c) of that Act provides for a staff for the National Security Council and authorizes the Executive Secretary thereof to hire the necessary

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NO CHANGE IN CLASS. []

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DATE: TO SECRET

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the National Security Council is given an esmual expropriation for this staff. To our knowledge, no provision has been made in this appropriation for the Fiscal Year 1994 for a staff for the Operations Coordinating Board within the structure of the National Security Council. If it is contemplated that such a staff be supported by contributions from other agencies, including the Central Intelligence Agency, under Section 5 of the proposed Recentive Order, we suggest that consideration be given to the question of this Agency's authority to give such support in the light of the provisions of 31 U.S.C. Oct.

In connection with the proposed Presidential securation to the Executive Secretary of the Extinual Secretary Council, cortain substantive provisions are of consern to this Agency. In Chapter 7 of the report of the President's Consistee on International Information Activities, on page 93 it is stated that "At would be appropriate to receive paragraphs 2 and 3 of RC 10/5." This agency strongly supports this view but feels that recision is not accomplished in the memorandum as presently drafted. Instead paragraphs 2 and 3 of RC 10/5 remain in effect with the functions transferred to the Operations Coordinating Doard. In order to accomplish the purpose intended by the report, the Agency recommends that the proposed necessariation be exerted by climinating paragraph "a" on page 1, by relationing paragraphs "b" and "c" to be "a" and "b" and by adding a new subparagraph under "Other" on page 2, stating:

"Paregraphs 2 and 3 of Hot 10/5, approved 23 October 1991, are rescinded."

There is no objection to the abolition of the Convoltants Group and the transfer of their functions to the Operations Coordinating Board, provided that this does not limit the normal linion between the Combral Intelligence Agency, Department of State, and Department of Defense on questions of Obraign and military policy, but return provides a point of reference for such questions as are not resolved in this limison. In order to reflect this thought specifically this Agency recommends that present paragraph b on page 1 of the Hemmandum (paragraph a under the enemiesate proposed above) which assigns additional functions to the new Board be escaped to read as follows:

"The policy coordinating functions provided for in paragraph 3.d.(1) of RE 10/2 approved June 18, 1948."

to the Department of Defense, we believe the acope of the transfer and the understanding on timing could be clarified by the adoption of the following wording in place of the present initial perograph on page 2 of the proposed memoration.

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Responsibility for the support of, and training for, the above operations shall be transferred from the Central Intelligence Agency to the Department of Defense as soon as appropriate extragazants can be made. Other classestine operations proceedly confusted by CIA in conjunction with such operations shall remain the responsibility of the Director of Central Intelligence.

In considering the effect of the proposed Executive Great and proposed Presidential Memorandum, it is the view of this Agency that NGC 10/2 and NGC 10/5, as revised by the Memorandum, should be re-examined. A proposed revision of these directives, taking account of the above suggestions and the proposed Agentions of the new Board, will be submitted shortly by the Central Intelligence Agency.

capigned to the Operations Coordinating Board under Section 3(a) of the Executive Order. As we interpret this section the new Board would have the duty under subsections (1), (2), (3), and (4) of this section of assuming brook responsibilities with respect to each and every national security policy approved by the President. This would apparently include policies assigned exclusively to one department or agency and also policies having largely denostic as well as international implications. We feel that such assignment of duties may prove to be too broad and general and that this section should be limited to such national security policies as might be designated at the time of approval by the President as falling within the proper scape of activities of the new Board.

Very truly yours,

Allen W. Milles Director

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